NEW ORLEANS
STATES-ITEM
Friday, May 23, 1969 ★ ★ TWENTY-THREE

DREW PEARSON

Peace Corps Head Linked with CIA

WASHINGTON — The late President Kennedy's orders to keep the Peace Corps free of any CIA taint quietly have been abandoned. The new Peace Corps head, dynamic 34-year-old Joe Blatchford, came to the Nixon administration from ACCION, a volunteer organization that has accepted money from at least two CIA fronts.

President Kennedy was so determined to disassociate the Peace Corps from the Central Intelligence Agency that he gave strict instructions to his CIA chief, John McCone, and Peace Corps director, Sargent Shriver, to permit no liaison between the two agencies.

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Carrying out these instructions, Shriver issued specific orders in 1962 to all his country directors in Latin America not to associate with anyone from ACCION, because it was operating with the guidance of the CIA.

Now ACCION's former executive director has been put in charge of the Peace Corps.

Blatchford was recommended by Pepsi Cola president Don Kendall, who is president of ACCION. It was largely Kendall who persuaded one of Wall Street's most distinguished law firms in 1963 to accept Richard Nixon as senior partner. Thereafter, Nixon traveled around the world representing Pepsi Cola.

ACCION has done some outstanding volunteer work in Venezuela, Brazil and Argentina. However, it has received indirect CIA financing through the Donner Foundation and the Free Labor Committee.

JOE BLATCHFORD
Peace Corps Director

Kendall also got a contribution for ACCION from the Nixon law firm and appointed law partner, Milton Rose, to ACCION's board of directors.

Terry Holcombe, who replaced Blatchford as ACCION's executive director, admitted to this column that ACCION has received $50,000 from the Donner Foundation.

"We would accept another donation," he added. "No one has said or done anything to convince me that the Donner Foundation did not act with ACCION's best interests in mind. I believe the correct theory behind Shriver's orders for Peace Corps volunteers not to meet with members of ACCION was to insure that ACCION did not become a threat to the Peace Corps. I think Shriver was looking out for his own skin."

The president of the Donner Foundation, incidentally, is Franklin Johnson, a former CIA official.

Note: Despite the CIA taint, Blatchford is highly regarded as an able, aggressive administrator.

LESS THAN TWO WEEKS after this column exposed irregularities in the Cheyenne helicopter program, the Army canceled its contract with Lockheed for the production of the combat helicopters. Lockheed stands to lose $900 million in production profits.

We reported Rep. Mendel Rivers, the czar of the House Armed Services Committee, blocked an investigation into the Cheyenne program last year. Earlier, Lockheed had helped erect a monument to Rivers in North Charleston, S.C.

New York's Rep. Otis Pike asked Rivers to investigate the skyrocketing Cheyenne costs a year ago. He cited the fact that an Army document, related to the Cheyenne contract, was signed by former Assistant Army Secretary Willis Hawkins, who came to the Pentagon from Lockheed and later returned to his same desk at Lockheed.

But Rivers, who has favored Lockheed in other backstage negotiations at the Pentagon, refused to listen to Pike.

"I was elected to run this committee; I will handle it," Rivers snapped. "So I did handle it, and I called in my chief counsel, I called in Mr. Bates (Massachusetts Congressman William Bates, senior Republican on the committee) . . . We handled it, and there wasn't any investigation."

"Right," said Pike wearily.

"So that is the situation," declared Rivers with finality. "Now, at least we got the Cheyenne."

When Pike raised his objections to the Cheyenne on the House floor, Rivers had Speaker John McCormack step down from the rostrum to settle the matter.

"Where the national interest of our country is concerned," intoned the speaker, "if I am going to err in judgment, I would rather err on the side of strength. . . . I am willing to follow the leadership of the gentleman from South Carolina (Rivers)."

On previous occasions, McCormack has joked that he and Rivers have their own private political party with a membership of two.

It now looks as if Rivers and McCormack were really protecting the interests of Lockheed, not the country.

Note: The snow-maned Rivers and his chief counsel, Russ Blandford, run the Armed Services Committee in an arbitrary and arrogant manner. They make the multi-billion-dollar weapons decisions after mere token consultation with the membership. At hearings, other members are given only five minutes to question witnesses. Rivers keeps an alarm clock on the rostrum to let him know when the five minutes are up.